

DATE 9-14-81 FILE

Central Intelligence Agency

DOC NO SOV M 87-20082OIR 3P & PD 1

Washington, D.C. 20505

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## DIRECTORATE OF INTELLIGENCE

9 September 1987

## Gorbachev's Policy Toward the Middle East

Summary

General Secretary Gorbachev and his foreign policy team have yet to produce major substantive shifts in Soviet policy toward the Middle East, but the tactical flexibility they have exhibited in implementing longstanding policies and pursuing new opportunities has earned Moscow recognition in the region as a force to be reckoned with once again. One of Gorbachev's most important innovations to date has been a greater willingness than his predecessors to risk upsetting the USSR's primary Middle Eastern client, Syria, in the pursuit of broader Soviet goals in the Middle East. This has been most evident in Moscow's expansion of Soviet contacts with Israel and efforts to reunify the PLO under Yasir Arafat. The Soviets continue, however, to provide strong military support to Syria and other Arab arms clients. Beyond the Levant, Gorbachev has removed a major obstacle to improved relations with Egypt by compromising on Cairo's military debt, expanded the Soviet diplomatic and economic presence among the conservative Persian Gulf Arab states, and capitalized on rising tensions to gain a security role in the Gulf through leasing three oil tankers to Kuwait and providing naval escorts for them in and out of the Gulf.

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Balancing the often conflicting goals of escaping from policy cul-de-sacs Moscow faces in the Middle East without alienating longtime Soviet friends in the region and jeopardizing more recent gains with the Gulf Arabs will be Gorbachev's most difficult task. He thus far apparently has calculated that the heavy dependence on Soviet arms of such Soviet friends as Syria and Iraq gives Moscow ample maneuvering room, but a

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miscalculation could be costly. The risky double game the Soviets are now playing by exploring Iranian overtures for better relations could pay big dividends, but it could just as easily lead to severe damage to their position with Iraq and Kuwait while producing only meager dividends with Tehran. As with past Soviet leaders, Gorbachev's successes in the explosive Middle East will in many instances be determined as much by events on the ground and US actions as by any policy he adopts. [REDACTED]

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### Continuity of Interests

For all his professions of "new thinking" in foreign policy and Moscow's more adroit image-building in the Middle East, the basics of Soviet policy toward the region remain the same under Gorbachev as under his predecessors--with a fundamental goal of expanding Soviet influence and presence in the region while limiting that of the US. Obtaining a role equal to that of the United States in any negotiations to resolve the Arab-Israeli conflict continues to be a central part of Soviet policy, as does strong support for the Palestinian cause as Moscow's entree to such negotiations. Moreover, Gorbachev has attempted--as his predecessors did--to increase Soviet influence with the key regional targets of opportunity, Egypt and Iran, without serious damage to Moscow's interests in Libya, Syria, and Iraq. [REDACTED]

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Syria remains the linchpin of the Soviet position in the Middle East, and Moscow continues to provide it and the other major Soviet arms clients in the region, Iraq and Libya, modern weapons systems--albeit not always at the pace and price the Arabs want. Despite Gorbachev's lament in his dinner speech during Syrian President Assad's visit to Moscow in April over the "billions spent for military purposes" in the Middle East, Soviet arms sales to the region in 1987 are on pace to reverse a four-year downward trend. Syria obtained its first MIG-29s this summer, Iraq continues to get enormous amounts of weapons from Moscow, Libya in July received its first delivery of ground forces equipment in a year, and Algeria recently received its first MI-17 helicopters. [REDACTED]

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### Changing Tactics

Gorbachev and his foreign policy advisers--primarily Foreign Minister Shevardnadze, First Deputy Foreign Minister Vorontsov, and CPSU International Department Chief Dobrynin--have, in our view, pursued Soviet interests in the Middle East more vigorously and imaginatively than their predecessors. As is the case in

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many other regions of the world, the changes they have instigated in the conduct of Soviet foreign policy have done much to alter the image Middle Easterners had of the USSR as heavy-handed, inflexible, and relevant only because of its military power and ability to supply arms. Their primary achievement to date is that the Soviets--perhaps more than at any time since the early 1970s--are now generally accepted by regional states as having a role to play in the Middle East, even if this has not always translated directly into increased Soviet influence in specific countries and on particular issues. [redacted]

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One of Gorbachev's most important innovations in Soviet policy toward the Middle East has been his greater willingness to risk upsetting Syria's Assad in the pursuit of broader Soviet goals in the region. Although previous Soviet leaders had their differences with Assad, they often bent over backwards to avoid antagonizing him. Since Syria under Assad's rule has been at odds with most of the important players in the Middle East--Iraq, Egypt, Jordan, Israel, and PLO chief Arafat--this meant that Soviet leaders frequently tailored their policies toward these players with Syrian interests uppermost in mind. Gorbachev has been much less willing to let Assad's views crimp Moscow's maneuvering room, perhaps calculating that Syria's increasing isolation in the Arab world and mounting economic problems make it more difficult for Assad to turn elsewhere for support. [redacted]

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### Israel and the Peace Process

Gorbachev's expansion of the USSR's dialogue with Israel is the most telling example of his determination not to let hardline Arab views dictate Soviet policy. His comments during Assad's April visit that the absence of diplomatic relations between the USSR and Israel "cannot be considered normal" and that the notion the Arab-Israeli conflict can be resolved militarily "is completely discredited" were strikingly blunt statements for a Soviet leader to make in public in the presence of his Syrian counterpart. Equally as galling to Assad had to be Gorbachev's further refinement in the same speech of the official Soviet position on the timing of restored relations with Israel ("in the framework of," rather than after, an Arab-Israeli settlement). [redacted]

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Gorbachev and his foreign policy team appear determined to find a way to correct the major blunder Moscow made in 1967 by breaking relations with Israel. This left the US as the only superpower able to talk with both sides in the Arab-Israeli conflict. This search for innovative ways to remedy a major Soviet weak spot may be due, in part, to the influence of Shevardnadze, whose tenure began in the same month as the first

serious Soviet feelers to the Israelis, and Dobrynin, who reportedly has long favored restoring ties. Dobrynin and other "Americanists" who have risen under Gorbachev also are keenly aware of the impact such issues as Jewish emigration from the USSR and Soviet-Israeli relations have on policymakers in Washington. [redacted]

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The slow pace in recent months of Soviet moves toward improved ties probably is due in part to Prime Minister Shamir's opposition to giving the Soviets a role at an international conference on the Arab-Israeli conflict. A Soviet consular delegation came to Israel in July only after much delay, and Moscow has sharply restricted its mandate. The two officials in the delegation who could discuss policy were recalled to Moscow after only two weeks, and the Soviets rebuffed Israeli efforts to send a similar delegation to the USSR. Such gradualism also has the benefit from Moscow's standpoint of giving the Arabs time to get used to the idea of increased Soviet-Israeli ties before reestablishing full diplomatic relations. [redacted]

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Israeli acceptance is only part of the Soviet problem in arranging an international conference. Most of the moderate Arab regimes have endorsed an international conference, but Syria, while giving lip service to the idea, has never been keen on it. And as long as Assad is at odds with PLO leader Arafat, the Soviets cannot count on their clients being unified at such a conference. In April Moscow took a major first step toward overcoming this obstacle by helping arrange the tentative reconciliation of major PLO factions at the Palestine National Council meeting in Algiers. But the Soviets have gotten nowhere in their efforts to convince Assad to mend fences with Arafat, and the prospects for movement here are not good. Even if the Kremlin succeeded in getting Assad and Arafat to an Arab-Israeli peace conference, we believe Moscow does not possess the leverage to convince them to sign an agreement that did not meet their major objectives. [redacted]

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Arab disunity and Israeli reservations will not prevent the Soviets from continuing to hawk their current scheme of a preparatory meeting to arrange an international conference. It was Shevardnadze's main theme at last year's opening of the UNGA session and is likely to be a major chord there again this year, as well as at his mid-September meeting with Secretary Shultz if regional issues are discussed. Shamir's continued refusal to go along and the unabated Assad-Arafat feud preclude for now the convening of the type of international conference the Soviets would like to see. But Moscow's constant hype of its proposal and periodic repackaging of it--which Shevardnadze could do once again this month--are designed to put Israel and the US on the defensive and portray them as the main stumbling blocks to a

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settlement. These moves also reinforce the Kremlin's claim that it supports political settlements to regional conflicts worldwide. [redacted]

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### Leniency on Arms Debts

Another innovation under Gorbachev has been the Soviets' increased willingness to compromise on the large military debts owed them by Arab countries. The Soviets appear to have decided that, rather than push for all the money that is owed them--which they realized would not be repaid in any case--their overall interests would be better served by writing off part of these debts. Most noteworthy was Moscow's renegotiation this spring of Egypt's longstanding debt of approximately \$2.5 billion. [redacted]

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[redacted] The one complication is that other clients are likely to cite Moscow's concessions on the Egyptian debt as precedent in their future negotiations with the Soviets. [redacted]

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The debt agreement with Cairo could turn out to be one of Gorbachev's most significant achievements in the Middle East. It removed a major impediment to improved bilateral relations and may open the way for some limited Soviet arms sales to Egypt. Moscow realizes that President Mubarak is not about to abandon Egypt's close ties to the US or return to dependence on Soviet arms, but it probably believes the debt rescheduling will complicate Washington's relations with Cairo. First Deputy Foreign Minister Vorontsov's visit to Cairo in September will be the first high-level exchange since the debt agreement and may result in an announcement that Egypt will allow the reopening of Soviet consulates in Alexandria and Port Said. [redacted]

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### Persian Gulf

Gorbachev's success in expanding the Soviet diplomatic and economic presence among the conservative Gulf Arab states, although primarily a result of the footwork done by his predecessors and of these states' all but inevitable coming-to-terms with contemporary international politics, is nonetheless impressive in light of the USSR's past exclusion from most of these countries. The unprecedented regional security role Moscow obtained this spring, when it leased three Soviet oil tankers to Kuwait and began escorting them in and out of the Gulf, underscores how far it has come. Although the Soviets have been unable to crown their diplomatic progress by normalizing relations with the most important of the Gulf conservatives--

Saudi Arabia--the trend toward ending Moscow's isolation from an important area of the Middle East is unlikely to be reversed. [ ]

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The Kremlin's response to the most recent tensions in the Gulf, however, has complicated its relations with Iraq. Up until quite recently, Gorbachev had continued Moscow's policy--adopted in 1982--of tilting toward Iraq in its war with Iran and maintaining a tough stance toward Tehran until Iranian leaders took concrete steps to prove they were genuinely willing to improve relations with the USSR. Now, however, the USSR and Iran have a shared concern in getting US forces out of the Gulf, which has prompted them to increase contacts and downplay their still substantial political differences over Afghanistan, Moscow's military support for Iraq, and Tehran's suppression of the Tudeh (Communist) Party. The Kremlin, which has long seen Iran as the key country in the Gulf region, clearly decided it could not pass up an opportunity to gain influence in Tehran at a time when the Iranians are feeling increasingly vulnerable. [ ]

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The Soviets are likely to probe Tehran's willingness to follow up its public claims of significant improvement in bilateral relations with concrete steps. This was probably the reason they invited Iranian Assembly Speaker Rafsanjani to visit Moscow in November. Progress in the economic sphere would be likely to come first, although we believe Iranian claims that oil pipeline and railroad projects linking the two countries are imminent are highly exaggerated. At any rate, either project would entail major costs for both sides and require long lead-times to complete. [ ]

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The Soviets' maneuvering room with Iran is likely to be limited by their almost certain skepticism about the depth of the Khomeini regime's change of heart toward the USSR and by a desire not to undermine the important gains they have made with Iraq and the conservative Gulf states in the past few years. Shevardnadze will have a lot of explaining to do later this month when the Iraqi and Kuwait foreign ministers come to Moscow. The Kremlin's equivocation on a follow-up sanctions resolution at the UN and statements that Tehran has shown flexibility on the issue have angered the Arabs. The risky double-game the Soviets are playing could pay big dividends, but it also could just as easily lead to severe damage to their position with the Arabs while producing only meager dividends with the Iranians. [ ]

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### Prospects

How to take advantage of opportunities in the Middle East without jeopardizing the assets they already have is not new to Soviet leaders, but it is a balancing act that Gorbachev will

have to perform particularly well if he is to achieve his goal of breaking Soviet policy out of the dead ends in which it was mired. His degree of success will be affected by a number of variables over which the Kremlin has little or no direct control. These include:

- ° The US ability to shore up its credibility with the Arabs.
- ° The Arabs' willingness to moderate their feuds.
- ° Arab perception of the need to rely on Soviet support and the risks of doing so.
- ° The longevity in power of Shamir and his supporters in Israel.
- ° The longevity in power of Khomeini and his supporters in Iran.
- ° The course of the war between Iran and Iraq. [ ]

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A central part of Gorbachev's strategy will be gaining US acknowledgment of the USSR's legitimate role in the Middle East. Appeals for such an acknowledgment and for US-Soviet collaboration have been prominent in Moscow's reaction to the recent tensions in the Gulf and its efforts to arrange a preparatory meeting for an Arab-Israeli peace conference. These appeals are certain to be voiced often in the various US-Soviet talks planned for the next few months. [ ]

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It is far too early for a judgment on the ultimate success or failure of Gorbachev's Middle Eastern policy. To date, he has scored some important gains, although many could prove ephemeral. His most significant achievement thus far, however, may be a perceptual one: changing the USSR's image from that of an odd man out to that of a relevant player in the region. [ ]

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